

ASSEMBLY, No. 1696

STATE OF NEW JERSEY

212th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2006 SESSION

Sponsored by:

Assemblyman DOUGLAS H. FISHER

District 3 (Salem, Cumberland and Gloucester)

Assemblyman JEFF VAN DREW

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Assemblyman LOUIS M. MANZO

District 31 (Hudson)

Co-Sponsored by:

Assemblymen Diegnan, Chivukula, Cryan, Vas, Barnes, Assemblywomen Voss, Cruz-Perez, Assemblymen Connors, Hackett, Caraballo, Gusciora, Green, Gordon, Assemblywoman Oliver and Assemblyman Giblin

SYNOPSIS

Lowers the minimum full-time jobs requirement for business relocation and retention tax credits.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



(Sponsorship Updated As Of: 3/6/2007)

1 AN ACT lowering the jobs retention eligibility requirement for tax
2 credits for business relocation and retention in New Jersey and
3 amending P.L.1996, c.25.
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
7

8 1. Section 4 of P.L.1996, c.25 (C.34:1B-115) is amended to read
9 as follows:

10 4. a. To qualify for a grant of tax credits, a business shall enter
11 into an agreement to undertake a project to:

12 (1) relocate a minimum of **[250]** 50 retained full-time jobs from
13 one or more locations within this State to a new business location or
14 locations in this State; and

15 (2) maintain the retained full-time jobs pursuant to the project
16 agreement for the commitment duration.

17 b. A project that consists solely of point-of-final-purchase retail
18 facilities shall not be eligible for a grant of tax credits. If a project
19 consists of both point-of-final-purchase retail facilities and non-
20 retail facilities, only the portion of the project consisting of non-
21 retail facilities shall be eligible for a grant of tax credits. If a
22 warehouse facility is part of a point-of-final-purchase retail facility
23 and supplies only that facility, the warehouse facility shall not be
24 eligible for a grant of tax credits. For the purposes of this section,
25 catalog distribution centers shall not be considered point-of-final-
26 purchase retail facilities.

27 (cf: P.L.2004, c.65, s.4)
28

29 2. Section 7 of P.L.1996, c.25 (C.34:1B-115.3) is amended to
30 read as follows:

31 7. a. The total value of the grants of tax credits issued pursuant
32 to P.L.1996, c.25 (C.34:1B-112 et seq.) shall not exceed an
33 aggregate annual limit of \$20,000,000 for a fiscal year. A tax credit
34 issued pursuant to P.L.1996, c.25 may be applied against liability
35 arising in the tax period in which the tax credit is issued and the tax
36 period next following, and shall expire thereafter.

37 b. Grants of tax credits shall be awarded and issued to
38 qualifying businesses as follows, subject to the limitations of
39 subsection c. of this section:

40 (1) for a project that covers a business relocating a minimum of
41 500 full-time employees, a grant of tax credits made pursuant to
42 P.L.1996, c.25 (C.34:1B-112 et seq.) shall equal total allowable
43 relocation costs plus any applicable bonus award determined
44 pursuant to section 5 of P.L.2004, c.65 (C.34:1B-115.1) and shall
45 be issued immediately upon the entry of the project agreement

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 between the commissioner and the business with an approved
2 project, up to the aggregate annual limit; and

3 (2) for a project that covers a business relocating between **[250]**
4 50 and 499 full-time employees, a grant of tax credits shall not be
5 issued until the end of the fiscal year in which the application is
6 approved.

7 c. If the sum of the amount of tax credits issued pursuant to
8 paragraph (1) of subsection b. of this section in a fiscal year, plus
9 the amount of tax credits approved pursuant to paragraph (2) of
10 subsection b. of this section exceeds the \$20,000,000 aggregate
11 annual limit, the commissioner shall reduce, on a pro rata basis, the
12 award to each business receiving a grant of tax credits pursuant to
13 paragraph (2) of subsection b. as necessary to comply with the
14 aggregate annual limit.

15 (cf: P.L.2004, c.65, s.7)

16
17 3. This act shall take effect immediately.
18
19

20 STATEMENT
21

22 This bill amends the "Business Retention and Relocation
23 Assistance Act" to extend eligibility for the granting of tax credits
24 under the act to businesses relocating 50 or more employees within
25 New Jersey. Current law requires that a firm relocate a minimum of
26 250 jobs to be eligible for the tax credits. Many businesses in New
27 Jersey are manufacturing firms with fewer than 100 employees.
28 This bill would provide to small businesses the same tax credits
29 currently available to large businesses.